

February 2026



Monthly Digest

Decoding Markets, Deals and Regulation

A Indcap Advisors
Enabling Growth | Creating Value

A SEBI registered Category I Merchant Banker



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Executive Summary



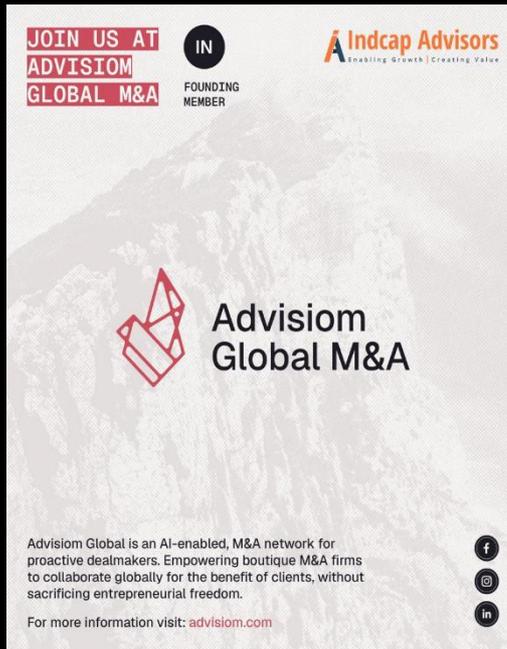
- **Market backdrop:** February 2026 saw **mixed global markets and rising commodity volatility**. Indian equities remained largely stable, with the Nifty 50 inching up while the BSE Sensex declined slightly, even as gold surged amid geopolitical tensions
- **M&A landscape:** Deal activity focused on **strategic expansion across sectors**, with transactions such as Torrent Power Limited acquiring Nabha Power Limited and Marico Limited taking a stake in Cosmix highlight companies expanding into adjacent growth areas like power generation, health nutrition, and digital financial services to **strengthen long-term positioning**
- **Private equity & VC:** Private capital remained active, focusing on technology infrastructure, clean energy, and digital platforms. Large rounds included funding

for Neysa to develop AI cloud infrastructure and growth capital for renewable players such as Grew Solar, reflecting **investor preference for scalable and future-oriented sectors**

- **Debt markets:** Debt markets stayed **stable despite heavy government borrowing**. The RBI maintained supportive liquidity conditions, with government and state bond issuances continuing while the 10-year G-Sec yield remained around 6.7%, indicating a broadly **balanced interest-rate environment**
- **Regulatory tone:** Regulatory activity focused on strengthening governance and market infrastructure. SEBI introduced new compliance frameworks across brokers, credit rating agencies, derivatives infrastructure, and AIF reporting
- **Overall takeaway:** Overall, February reflected a **cautious but constructive** environment where markets consolidated, capital flows remained selective, and companies pursued strategic acquisitions while regulators continued tightening governance and compliance standards across financial markets

February Highlights

Indcap Advisors Became A Founding Member of Advisiom Global M&A Alliance



- Advisiom Global M&A Alliance connects independent firms across the US, Europe, Africa, and Asia, with **Indcap as India's exclusive Founding Member**
- Facilitates **mid-market M&A**, giving global partners access to India's growth
- Helps Indian businesses expand overseas via acquisitions, partnerships, and capital raises
- Strengthens Indcap's **cross-border execution through a trusted network**
- Retains independence, agility, and execution focus while expanding global reach

Indcap Advisors served as Exclusive Placement Advisor for a ₹600 million fundraise

- Indcap Advisors acted as Exclusive Placement Advisor for a leading **welding & industrial consumables** player, raising **₹600 million** via **secured, unlisted NCDs** to a **SEBI-registered AIF**
- Handled **end-to-end execution**: structuring, onboarding the AIF, negotiations, documentation, and financial closure



M&A Deals

Key Announced Merger and Acquisition Deals February 2026

Buyer	Target company	Industry	Amt in INR mn	Stake
 torrent POWER Torrent Power	 NPL Nabha Power Nabha Power Limited	Energy	68,900	100%
<p>Torrent Power Limited completed the acquisition of Nabha Power Limited, strengthening its thermal generation portfolio through the takeover of the 1,400 MW Rajpura power plant in Punjab</p>				
 USV USV India	 WELLBEING W NUTRITION Well Being Nutrition	Health and wellness	15,900	79%
<p>The transaction reflects USV's intent to expand into preventive healthcare, strengthen its consumer health portfolio, and leverage the brand's digital-first distribution and fast-growing nutraceutical presence in India</p>				
 SILA SILA	 SMS INTEGRATED FACILITY SERVICES SMS Integrated facilities services	Business Services	2,700	100%
<p>The acquisition of SMS Integrated Financial Services will help Sila to strengthen its integrated facilities management capabilities across commercial and institutional assets, expanding its operational footprint and recurring service revenue base</p>				
 marico Marico	 COSMIX Cosmix	Health and wellness	2,260	60%
<p>Marico Limited has taken control of Cosmix to deepen its play in the fast-growing plant-based superfoods and wellness space. The deal expands Marico's health-focused portfolio and strengthens its access to digitally driven, premium nutrition consumers</p>				
 BLS E-SERVICES BLS E Services	 atyati Atyati Technologies	Financial Services	1,540	100%
<p>The move will accelerate BLS-E Services expansion in digital financial inclusion and strengthen its technology-led rural banking ,assisted services platform, infrastructure thereby enhancing scalability and recurring revenue</p>				
 INDIA Tube Investment of India	 Orange Koi Orange Koi	Manufacturing services	730	87%
<p>This strategic push into the electric mobility segment, aiming to strengthen its capabilities in EV technology, product development, and innovation will enhance Tube investment presence in evolving clean mobility eco system</p>				

PE/VC Deals

Key announced Private Equity and Venture Capital Deals February 2026

Buyer	Target Company	Industry	Amt In INR mn	Series
 Blackstone,  TVS Capital, etc.	 Neysa	Tech and AI	54,300	B
<p>The capital combines ~\$600M equity from marquee investors including Blackstone and TVS Capital with ~\$600M in planned debt, aimed at building India's primary GPU cloud platform. Funds will accelerate the rollout of secure, local AI infrastructure to meet surging enterprise and government demand.</p>				
 VALOR  OAK HC/FT Oak HC/FT, Valor Equity Partners, etc.	 Fundamental Fundamental	Tech and AI	23,000	A
<p>The investment will commercialize NEXUS, a Large Tabular Model for structured enterprise data, targeting high-value verticals like financial services and healthcare. The round strengthens product development, market adoption, and enterprise-grade model deployment.</p>				
 Bay Capital	 Grew Solar Grew Solar	Energy and Renewables	10,500	D
<p>Funds to be used for manufacturing capacity expansion from 3 GW to 8 GW. The raise enables GREW to directly capitalize on tightening domestic content requirements and the government's accelerating renewable procurement pipeline.</p>				
 FMO  IMPACT FUND DENMARK FMO, Impact Fund Denmark	 RADIANCE RENEWABLES Radiance Renewables	Energy and Renewables	9060	C
<p>The investment will fund the expansion of Radiance's commercial & industrial solar portfolio, enabling deployment of low-tariff, high-retention projects while leveraging capital efficiently to capture growth in India's underpenetrated C&I (Commercial and Industrial) renewable segment.</p>				
 STEADVIEW  peakxv Steadview, PeakXV Partners, etc.	 TEMPLE Temple	Health Tech	4910	Seed
<p>Founded by Deepinder Goyal and backed by PeakXV and Steadview, the round will fund the development of a wearable that measures cerebral blood flow, supporting product development, regulatory validation, and early adoption in the emerging brain health diagnostics market.</p>				
 neo ASSET MANAGEMENT  BLUME Neo Asset Management, Blume Ventures, etc.	 IDfy IDfy	Cybersecurity	4760	F
<p>The investment from Neo Asset Management will strengthen IDfy's identity verification and fraud-prevention platform, enabling product expansion, operational scale-up, and deeper penetration into regulated sectors like financial services and fintech..</p>				

Debt Market

Debt Market Insights

Market Snapshot (%)	Current Week	1 month ago	3 months ago	6 months ago	1 year ago
Avg. Call Rates	5.0	5.4	5.5	5.5	6.3
Avg. Repo Rates	4.9	5.4	5.4	5.4	6.3
Bank rate	5.5	5.8	5.8	5.8	6.5
CRR	3.0	3.3	3.3	4.0	4.0
RBI-LAF Repo Rate	5.3	5.5	5.5	5.5	6.3
RBI-LAF Reverse Repo Rate	3.4	3.4	3.4	3.4	3.4
91-Day Cut-off	5.3	5.4	5.4	5.5	6.4
182 Day Cut-off	5.5	5.5	5.5	5.6	6.6
364 Day Cut-off	5.6	5.5	5.5	5.6	6.5
1-yr G-Sec yield	5.5	5.6	5.6	5.7	6.6
5-yr G-Sec yield	6.3	6.3	6.3	6.3	6.7
10-yr G-Sec yield	6.7	6.6	6.6	6.7	6.8
10-yr Benchmark yield	6.7	6.5	6.5	6.7	6.7



Debt Market Highlights

- RBI conducted **G-Sec auctions** totaling **₹3,10,000 million**, while state governments sold SGS worth **₹4,61,000 million**, and the Government of India executed securities switches worth **₹1,53,680 million**
- RBI launched the March 2026 rounds of the **Rural and Urban Consumer Confidence Surveys** and the **Inflation Expectations Survey of Households** to gauge economic sentiment
- India's holding of US Treasury Securities dropped from **\$186.5 billion** in November 2025 to **\$182.9 billion**, reflecting changes in foreign reserves

Merchant Banking

Market Scenario

Particulars	No of Issues in February	Amt in INR Crs
Public Issue (IPO)	3	3,843.9
Public Issues (IPO – SME)	13	601.1
Rights Issues	8	716.2
Public Issues (Debt)	2	350.0

Regulatory Updates by SEBI

- **SEBI specifies registration forms for brokers:** Circular dated February 17, 2026 prescribes application forms and registration certificate under the SEBI (Stock Brokers) Regulations, 2026, effective retrospectively from January 07, 2026 [*\(Further Information\)*](#)
- **SEBI sets IT framework for Commodity Derivatives segment:** Prescribes capacity planning and real-time performance monitoring for Critical IT systems of MIIs, effective after three months [*\(Further Information\)*](#)
- **SEBI sets norms for Credit Rating Agencies (CRA):** Circular dated February 10, 2026 prescribes disclosure, net worth, grievance redressal, advertising, client handling and internal audit requirements for CRAs, effective partly after 60 days and partly after 12 months [*\(Further Information\)*](#)
- **SEBI mandates NAV reporting for AIFs:** Alternative Investment Funds (AIFs), through their Registrars and Transfer Agents, must upload the latest NAV for each ISIN of units to the depository system before May 01, 2026, or within 30 days of portfolio valuation, whichever is later, effective immediately [*\(Further Information\)*](#)
- **SEBI updates pledge invocation rules:** Requires standardized Pledge Request Forms with undertakings under the Indian Contract Act, mandates reasonable notice by pledgees, and directs depositories to notify parties upon invocation, effective by April 6, 2026 [*\(Further Information\)*](#)

A copy of all the afore mentioned Notifications/ Circulars are available on SEBI website at www.sebi.gov.in.

Merchant Banking

Regulatory Updates by SEBI

- **SEBI removes expiry-day spread benefit for single stock derivatives:** Discontinues calendar spread margin benefit on the expiry day for expiring contracts, effective after three months ([Further Information](#))
- **SEBI revises OTR (Order-to-Trade Ratio) framework:** Exempts specified equity option orders and algorithmic trades by Designated Market Makers from OTR penalty computation, effective April 06, 2026 ([Further Information](#))
- **SEBI updates ICDR Master Circular:** Consolidates and updates all applicable circulars issued up to December 31, 2025 under the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, reflecting provisions currently in force, with the latest update issued on February 09, 2026 ([Further Information](#))
- **SEBI issues Master Circular for Research Analysts:** Consolidates all applicable circulars governing Research Analysts to provide a single reference framework for compliance, issued on February 06, 2026 ([Further Information](#))
- **SEBI issues Master Circular for Investment Advisers:** Consolidates all applicable circulars governing Investment Advisers into a single reference framework to facilitate compliance and provide regulatory clarity for market participants, issued on February 06, 2026 ([Further Information](#))
- **SEBI issues Master Circular for Registrars and Share Transfer Agents:** Consolidates all applicable circulars governing Registrars to an Issue and Share Transfer Agents (RTAs) into a single reference framework to facilitate compliance and regulatory clarity, issued on February 06, 2026 ([Further Information](#))

A copy of all the afore mentioned Notifications/ Circulars are available on SEBI website at www.sebi.gov.in.

Merchant Banking: Case Study

Penalty of Rs. 670 million for GDR fraud by Winsome Textiles Industries Limited

Winsome Textiles' USD 9.99 million GDR issue was found to be fraudulently subscribed through an entity owned by Arun Panchariya, misrepresenting foreign investor interest. The GDRs were transferred to connected FII sub-accounts, converted into shares, and sold in India. Panchariya was held liable only for the fraudulent subscription stage.

Case Overview

- SEBI had passed an order dated December 15, 2021, imposing a penalty of **Rs. 67 Crores** against Arun Panchariya and 17 others in respect of **GDRs issued** by Winsome Textiles Industries Ltd., **by way of a fraudulent scheme**
- An appeal was filed against the order to re-examine the quantum of fine and file a fresh order

Regulatory Action

- SEBI had passed an order, imposing a penalty of Rs. 67 Crores against Arun Panchariya
- Arun Panchariya challenged the SEBI order before the **Securities Appellate Tribunal ("SAT")**
- The appeal was **allowed** by the SAT

Key Allegations

- Winsome, with Arun Panchariya and his entities, **fraudulently issued USD 9.99 million GDRs**
- Panchariya's wholly owned entity subscribed to the GDRs, **falsely portraying** foreign investor subscription
- The **GDRs were moved to connected FII sub-accounts**, converted into shares, and sold to Indian investors
- Panchariya was held **liable only for the first leg of the GDR fraud, not the second**

Resolution

- SEBI had imposed a **₹670 million** penalty along with a **three year market ban**
- On appeal, the SAT reduced the penalty on the company to **₹20 lakhs** and the debarment period was curtailed to the period already undergone

Supreme Court Case Overview



Supreme Court

SBI vs Union Bank of India

The issue was whether telecom spectrum held by an insolvent company qualifies as its asset under the IBC, and whether the Section 14 moratorium restrains the Government from recovering license dues.

Case Overview

- **State Bank of India & other lenders**, in the course of insolvency proceedings of telecom companies, sought clarification on the treatment of spectrum
- The matter arose from disputes regarding whether telecom spectrum licences could be treated as assets of the corporate debtor during CIRP
- The proceedings required adjudication on the **interplay between the IBC framework and the statutory telecom regulatory regime** governing allocation and use of spectrum

Observations and Decisions

- The Court observed that telecom spectrum is a **sovereign natural resource** vested in the Union of India and is allocated to licensees only through a statutory grant
- The need to harmoniously construe the IBC with sector-specific legislation governing telecom licenses was emphasized
- The scheme of the Insolvency and Bankruptcy Code, 2016 cannot be interpreted so as to divest or dilute the statutory rights of the Government under the telecom regulatory framework

Main Issues Raised

- Whether telecom spectrum allotted under statutory licence **constitutes an “asset” of the corporate debtor** within the meaning and scheme of the Insolvency and Bankruptcy Code, 2016
- Whether the moratorium imposed under Section 14 of the IBC operates to restrain the Union of India from **recovering spectrum license dues during the pendency of CIRP**

Final Ruling

- Telecom spectrum was held to be a **statutory licence conferring only a right to use**, and not the property or asset of the corporate debtor; consequently, it does not form part of the insolvency estate, nor can it be dealt with under the CIRP
- The moratorium under Section 14 of the IBC was held not to operate as a bar against the Union of India in enforcing its contractual and statutory rights relating to spectrum license dues

Source: <https://ibbi.gov.in/orders/supreme-court>

M&A Case Study

L&T Sells Nabha Power to Torrent Power in a ₹68,890 Million deal

Torrent Power strengthens its North India presence with the acquisition of Nabha Power, gaining a fully operational coal-fired plant and unlocking new operational and strategic opportunities across its portfolio.



Deal Overview

- **Mar 2026:** Torrent Power acquired 100% of Nabha Power from Larsen & Toubro for **~₹68,890 million**
- The **1,400 MW** coal-fired plant in Rajpura, Punjab, operates under a 25-year PPA, providing stable, contracted revenues
- The deal included **assumption of project debt and full operational control**, allowing Torrent to expand its generation portfolio **without greenfield risks**



Deal Rationale - Operational Musclebuilding

- The acquisition **instantly boosts Torrent's base-load generation capacity** and strengthens its operational presence in North India
- Owning a fully operational, cash-generating plant allows the company to focus on **optimizing performance, maintenance, and procurement**, while capturing **economies of scale** and unlocking cost efficiencies



Bottom Line - A Strategic Win

- Torrent secures **long-term cash flows, predictable earnings, and enhanced market leadership**, while L&T monetizes a mature asset and frees up capital for other initiatives
- The deal highlights the **continued value of contracted thermal power**, reinforces the importance of **base-load generation for grid stability**
- It also reflects a **consolidation trend** where operational assets move from developer-led projects to established utility operators

M&A Case Study

Billdesk to acquire Worldline's India operations for ₹6,420 million

BillDesk is acquiring Worldline India's payments business for ~₹6,420 million, expanding its digital and offline reach, while Worldline continues supplying technology under a long-term pact, reflecting the ongoing consolidation in India's fintech sector.

About the Deal

- **Acquirer: Billdesk**
- Target: Worldline India
- Stake acquired: **100%** controlling stake (EV ~ ₹ **3,959 CR**)
- All cash Deal value: ~₹**6,420 Mn**
- Worldline will sell its Indian payment activities to Billdesk and Worldline will be entering into **a long-term technology and software pact**, under which BillDesk will continue to leverage Worldline's advanced payment software on a **long-term basis**

Deal Rationale

- **Omnichannel Expansion:** BillDesk, traditionally a leader in online bill payments and gateways, acquired Worldline's Indian assets to gain a massive footprint in **Point-of-Sale (POS) terminals** and in-store merchant acquiring, allowing it to compete with the likes of **Pine Labs and Razorpay**
- Strengthens BillDesk's market position by adding Worldline India's merchant base and payment technology
- Includes a **long-term tech agreement** to continue leveraging Worldline's platforms
- Allows Worldline to streamline global operations while retaining India as a **talent and innovation hub**

Fintech Sector Analysis

• Growth has become selective and tech-led

Fintech growth is no longer just about user acquisition or transaction volume. Value is concentrated in digital-first, niche, and platform-integrated businesses like neo-banks, embedded finance, digital lending, and payments infrastructure providers. Winners are those who can demonstrate profitability, stickiness, and differentiated technology, rather than just scale.

• FMCG is evolving into a capital and capability led sector

Leading players now operate as platform and portfolio managers, using M&A to acquire complementary tech, regulatory licenses, or high-value customer bases. They prune underperforming lines, invest in AI-driven risk, analytics, and compliance tech, and strengthen digital-first distribution and merchant networks to enhance revenue mix and margin sustainability.

Market & Commodities

Global Indices | BSE | NSE | Currency | Gold | Silver

Stock Indices	Opening (INR) (1 st Feb 2026)	Closing (INR) (28 th Feb 2026)	Change %
 Sensex	81,666.5	81,287.2	-0.5%
 Nifty	25,088.4	25,178.7	0.4%
 FTSE	10,341.6	10,910.6	5.5%
 Nikkei	52,655.2	58,850.3	11.8%
 Dow Jones	49,407.7	48,977.9	-0.9%
 S&P 500	6,976.4	6,878.9	-1.4%
 NASDAQ	22,668.2	23,592.1	4.1%
 SSE Composite (SSEC)	4,015.8	4,162.9	3.7%
 Gold (INR/10 Grams)	1,43,000.0	1,62,062.0	13.3%
 Silver (INR/1 Kgs)	2,65,652.0	2,75,211.0	3.6%
 USD \$	91.7	91.0	-0.7%
 Euro €	108.7	107.5	-1.0%
 GBP £	125.5	122.7	-2.2%
 Yen ¥	0.59	0.58	-1.7%



February 2026 Snapshot: Volatility and Shifting Global Market Sentiment

- In February 2026, gold prices hit record highs due to the Israel-Iran conflict, a weaker rupee and rising crude prices due to the blockade of the Strait of Hormuz, which raised import costs and inflation
- Apart from geopolitical tensions and rising oil prices, the Nifty 50 fell due to IT sector weakness from AI disruption fears, partially offset by strong domestic institutional buying in PSU banks after RBI held rates at 5.25%
- Nikkei 225 hit a record 58,000+ after Prime Minister Sanae Takaichi's election win and dovish Bank of Japan board appointments boosted pro-growth stimulus hopes
- GBP/INR fell to ₹122 as a weak UK economy and expected Bank of England rate cuts weighed on the pound, while the rupee was supported by strong domestic growth and RBI interventions

About Indcap

About Us | Our Services

Executed more than **INR 7,50,000** Mn in various transactions across Debt and Structured Debt, M&A/PE and Corporate Debt Restructuring



400+ clients



25+ years of experience



SEBI Registered Category I Merchant Banker



Nationwide presence and global alliances

1

Capital Market Services

Issue Management- IPO/FPO/SME/Rights/Debt/QIP Issuances, etc. | Preference Capital/ Debentures | Listing of Non-Convertible Debentures | Advisory and Assistance

2

Debt Resolution Advisory

Corporate & Strategic Debt Restructuring | Settlements | Insolvency Resolution Advisory

3

Capital Raising Solution

Equity – Private, Public and Convertible Instruments | Debt – Project Finance, Working Capital, ECBs, Structured Debt /Treasury Instruments

4

Corporate Advisory

Business reorganization advisory | Transaction structuring advisory | TEV/ Project feasibility study | Financial appraisals | Credit rating advisory | Business and Equity Valuations

5

Mergers and Acquisitions

Sell Side & Buy Side Advisory | Joint Ventures | Cross Border Acquisitions | Inbound Investment Advise

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